

United States Bankruptcy Court
Middle District of Tennessee

In re Associated Healthcare Systems, Inc.

Debtor(s)

Case No. 07-07219-MH3-11

Chapter 11

STATEMENT OF FINANCIAL AFFAIRS

This statement is to be completed by every debtor. Spouses filing a joint petition may file a single statement on which the information for both spouses is combined. If the case is filed under chapter 12 or chapter 13, a married debtor must furnish information for both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed. An individual debtor engaged in business as a sole proprietor, partner, family farmer, or self-employed professional, should provide the information requested on this statement concerning all such activities as well as the individual's personal affairs. Do not include the name or address of a minor child in this statement. Indicate payments, transfers and the like to minor children by stating "a minor child." See 11 U.S.C. § 112; Fed. R. Bankr. P. 1007(m).

Questions 1 - 18 are to be completed by all debtors. Debtors that are or have been in business, as defined below, also must complete Questions 19 - 25. **If the answer to an applicable question is "None," mark the box labeled "None."** If additional space is needed for the answer to any question, use and attach a separate sheet properly identified with the case name, case number (if known), and the number of the question.

DEFINITIONS

"In business." A debtor is "in business" for the purpose of this form if the debtor is a corporation or partnership. An individual debtor is "in business" for the purpose of this form if the debtor is or has been, within six years immediately preceding the filing of this bankruptcy case, any of the following: an officer, director, managing executive, or owner of 5 percent or more of the voting or equity securities of a corporation; a partner, other than a limited partner, of a partnership; a sole proprietor or self-employed full-time or part-time. An individual debtor also may be "in business" for the purpose of this form if the debtor engages in a trade, business, or other activity, other than as an employee, to supplement income from the debtor's primary employment.

"Insider." The term "insider" includes but is not limited to: relatives of the debtor; general partners of the debtor and their relatives; corporations of which the debtor is an officer, director, or person in control; officers, directors, and any owner of 5 percent or more of the voting or equity securities of a corporate debtor and their relatives; affiliates of the debtor and insiders of such affiliates; any managing agent of the debtor. 11 U.S.C. § 101.

1. Income from employment or operation of business

None



State the gross amount of income the debtor has received from employment, trade, or profession, or from operation of the debtor's business, including part-time activities either as an employee or in independent trade or business, from the beginning of this calendar year to the date this case was commenced. State also the gross amounts received during the **two years** immediately preceding this calendar year. (A debtor that maintains, or has maintained, financial records on the basis of a fiscal rather than a calendar year may report fiscal year income. Identify the beginning and ending dates of the debtor's fiscal year.) If a joint petition is filed, state income for each spouse separately. (Married debtors filing under chapter 12 or chapter 13 must state income of both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

AMOUNT

SOURCE

2. Income other than from employment or operation of business

None



State the amount of income received by the debtor other than from employment, trade, profession, or operation of the debtor's business during the **two years** immediately preceding the commencement of this case. Give particulars. If a joint petition is filed, state income for each spouse separately. (Married debtors filing under chapter 12 or chapter 13 must state income for each spouse whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

AMOUNT

SOURCE

3. Payments to creditors

None ☒ **Complete a. or b., as appropriate, and c.**

a. *Individual or joint debtor(s) with primarily consumer debts.* List all payments on loans, installment purchases of goods or services, and other debts to any creditor made within **90 days** immediately preceding the commencement of this case if the aggregate value of all property that constitutes or is affected by such transfer is not less than \$600. Indicate with an (*) any payments that were made to a creditor on account of a domestic support obligation or as part of an alternative repayment schedule under a plan by an approved nonprofit budgeting and creditor counseling agency. (Married debtors filing under chapter 12 or chapter 13 must include payments by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR	DATES OF PAYMENTS	AMOUNT PAID	AMOUNT STILL OWING
None <input type="checkbox"/>	b. <i>Debtor whose debts are not primarily consumer debts:</i> List each payment or other transfer to any creditor made within 90 days immediately preceding the commencement of the case if the aggregate value of all property that constitutes or is affected by such transfer is not less than \$5,000. (Married debtors filing under chapter 12 or chapter 13 must include payments by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)		
NAME AND ADDRESS OF CREDITOR	DATES OF PAYMENTS/ TRANSFERS	AMOUNT PAID OR VALUE OF TRANSFERS	AMOUNT STILL OWING
See the attached list	See the attached list	\$0.00	\$0.00

None ☐ c. *All debtors:* List all payments made within **one year** immediately preceding the commencement of this case to or for the benefit of creditors who are or were insiders. (Married debtors filing under chapter 12 or chapter 13 must include payments by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR AND RELATIONSHIP TO DEBTOR	DATE OF PAYMENT	AMOUNT PAID	AMOUNT STILL OWING
See the attached list	See the attached list	\$0.00	\$0.00

4. Suits and administrative proceedings, executions, garnishments and attachments

None ☐ a. List all suits and administrative proceedings to which the debtor is or was a party within **one year** immediately preceding the filing of this bankruptcy case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

CAPTION OF SUIT AND CASE NUMBER	NATURE OF PROCEEDING	COURT OR AGENCY AND LOCATION	STATUS OR DISPOSITION
AHS Samaritan Hospital, LLC v. Associated Healthcare Systems, Inc., and Samaritan Alliance, LLC Case No. 07-671-I	Conversion of funds allegedly paid by medicare/medicaid for the benefit of Plaintiff	Chancery Court of Davidson County, Tennessee	Default Judgment entered June 1, 2007 in the amount of \$310,828.61; motion to set aside default denied 7/13/07; Debtor has filed Rule 60 motion to set aside Judgment
GESF Structured Finance (Americas) Inc. v. Associated Healthcare Systems, Inc. Case No. 07374	Deficiencies on equipment leases contracted by Samaritan Hospital and guaranteed by Associated	Circuit Court for Williamson County, Tennessee	Default Judgment taken as to liability; claim is \$485,184.54, but plaintiff received \$200,000.00 upon sale of the equipment for which has not been given credit
First State Financial, Inc. v. Associated Healthcare Systems, Inc. Case No. 07396	Suit on guaranty	Circuit Court for Williamson County, Tennessee	Motion for Default Judgment seeking \$404,977.62, plus interest and attorney fees

CAPTION OF SUIT AND CASE NUMBER	NATURE OF PROCEEDING	COURT OR AGENCY AND LOCATION	STATUS OR DISPOSITION
Norton Hospitals, Inc. Case No. 07420	Action to domesticate an Agreed Judgment entered in the Circuit Court of Jefferson County, Kentucky	Circuit Court for Williamson County, Tennessee	Order enforcing foreign Judgment entered 8/29/07 (judgment amount: \$1,213,414.23, plus post- judgment interest and attorney's fees)
Randolph Emergency Group, LLC v. Associated Healthcare Systems, Inc. Case No. 33434	Suit on guaranty by Debtor of contract between Plaintiff and Associated Healthcare Systems of Randolph County, Inc.	Chancery Court for Williamson County, Tennessee	Settlement Agreement entered 6/11/07
Debra G. Abbott, et al v. Associated Healthcare Systems, Inc. Case No. 07-CI-00108	Suit by employees of Carroll County Medical Advisors Limited Partnership	Carroll Circuit Court (Kentucky)	Answer filed
Marquette Equipment Finance, LLC f/k/a Marquette Financial, LLC v. Associated Healthcare Systems, Inc. Case No. 070910874	Suit on guaranty by Debtor of obligation of Associated Healthcare Systems of Lexington, LLC, under leases of computer hardware and software; amount sought is accelerated amount due and owing under the lease schedules (no less than \$608,059.40, plus taxes, the fair market value of the equipment, late fees, interest and attorney's fees)	Third Judicial District Court of Salt Lake County, Utah	Suit filed July 30, 2007; Answer filed September, 2007
Republic Bank v. Associated Healthcare Systems, Inc. Case No. 070900075	Suit on guaranty by Debtor of obligation of Associated Healthcare Systems of Lexington, LLC, under leases of computer hardware and software; amount sought is accelerated amount due and owing under the lease schedules (no less than \$1,010,644.49, plus interest, late charges and taxes), and for the immediate possession of the equipment; the second amended complaint increased the prayer to \$1,808,272.80, plus interest, late charges, and taxes	Third District Court of Salt Lake City, Utah	Suit filed January, 2007, and there is a certification on the Complaint that it was served on John Bobango on January 23, 2007; a second amended complaint was filed August 13, 2007, and appears to have been served on John Bobango, as registered agent for Debtor, on August 22, 2007
Winthrop Resources Corporation v. Associated Healthcare Systems of Lexington, LLC and Associated Healthcare Systems, Inc. Case No. 27-CV-07-6677	Suit on guaranty by Debtor of computer equipment leased by Associated Healthcare Systems of Lexington, LLC from Plaintiff; the judgment sought is \$978,473.91, plus possession of the equipment	District Court, 4th Judicial District, Hennepin County, Minnesota	An amended Complaint was filed in June, 2007, and an amended summons issued June 21, 2007; Debtor timely filed an answer; Plaintiff has moved for summary judgment

CAPTION OF SUIT AND CASE NUMBER	NATURE OF PROCEEDING	COURT OR AGENCY AND LOCATION	STATUS OR DISPOSITION
AHS, Inc. f/k/a Angel Healthcare Staffing, Inc. v. Associated Healthcare Systems, Inc. and Associated Healthcare Systems Management Company Case No. 07033	Suit for balance due (\$57,000.00) on staffing agreement between plaintiff and AHS Samaritan Hospital, LLC; Plaintiff contends Debtor has liability under Section 6.8 (the "binding" clause) of the staffing agreement, because it is a permitted successor or assign	Circuit Court of Williamson County, Tennessee	Plaintiff's Motion for Leave to file amended complaint was granted
St. Claude Medical Center, LLC v. Associated Healthcare Systems, Inc., A. Ronald Turner, James L. Marshall, Jr. and Jae H. Hill Case No. 06-0944	Suit on Note dated May 30, 2003, executed by Debtor in connection with its acquisition of St. Claude Medical Center	United States District Court, Eastern District of Louisiana	Complaint served about March 27, 2006; on February 28, 2007 an Agreed Order was entered granting Defendant's Motion to Compel Arbitration and administratively closing the suit pending completion of arbitration; arbitration hearing has not been scheduled
Shared Imaging, Inc., an Illinois Corp. v. Trinity Hospital, LLC and Associated Healthcare Systems, Inc. Case No. 2007L009639	Suit to hold Debtor liable for the obligations of its subsidiary, Trinity Hospital, LLC, on "piercing the corporate veil" theory; lease of MRI machine (account stated \$43,000.00; future damages \$294,900)	Circuit Court of Cook County, Illinois	Summons issued September 13, 2007

None ☐ b. Describe all property that has been attached, garnished or seized under any legal or equitable process within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF PERSON FOR WHOSE BENEFIT PROPERTY WAS SEIZED	DATE OF SEIZURE	DESCRIPTION AND VALUE OF PROPERTY
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5. Repossessions, foreclosures and returns

None ☐ List all property that has been repossessed by a creditor, sold at a foreclosure sale, transferred through a deed in lieu of foreclosure or returned to the seller, within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR OR SELLER	DATE OF REPOSSESSION, FORECLOSURE SALE, TRANSFER OR RETURN	DESCRIPTION AND VALUE OF PROPERTY
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6. Assignments and receiverships

None ☐ a. Describe any assignment of property for the benefit of creditors made within **120 days** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include any assignment by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF ASSIGNEE	DATE OF ASSIGNMENT	TERMS OF ASSIGNMENT OR SETTLEMENT
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- None ☒ b. List all property which has been in the hands of a custodian, receiver, or court-appointed official within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CUSTODIAN	NAME AND LOCATION OF COURT CASE TITLE & NUMBER	DATE OF ORDER	DESCRIPTION AND VALUE OF PROPERTY
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7. Gifts

- None ☒ List all gifts or charitable contributions made within **one year** immediately preceding the commencement of this case except ordinary and usual gifts to family members aggregating less than \$200 in value per individual family member and charitable contributions aggregating less than \$100 per recipient. (Married debtors filing under chapter 12 or chapter 13 must include gifts or contributions by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF PERSON OR ORGANIZATION	RELATIONSHIP TO DEBTOR, IF ANY	DATE OF GIFT	DESCRIPTION AND VALUE OF GIFT
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8. Losses

- None ☒ List all losses from fire, theft, other casualty or gambling within **one year** immediately preceding the commencement of this case **or since the commencement of this case**. (Married debtors filing under chapter 12 or chapter 13 must include losses by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

DESCRIPTION AND VALUE OF PROPERTY	DESCRIPTION OF CIRCUMSTANCES AND, IF LOSS WAS COVERED IN WHOLE OR IN PART BY INSURANCE, GIVE PARTICULARS	DATE OF LOSS
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9. Payments related to debt counseling or bankruptcy

- None ☐ List all payments made or property transferred by or on behalf of the debtor to any persons, including attorneys, for consultation concerning debt consolidation, relief under the bankruptcy law or preparation of the petition in bankruptcy within **one year** immediately preceding the commencement of this case.

NAME AND ADDRESS OF PAYEE	DATE OF PAYMENT, NAME OF PAYOR IF OTHER THAN DEBTOR	AMOUNT OF MONEY OR DESCRIPTION AND VALUE OF PROPERTY
Gullett Sanford Robinson & Martin, PLLC 315 Deaderick Street, Suite 1100 PO Box 198888 Nashville, TN 37219-8888	See Application to Employ Gullett, Sanford, Robinson & Martin, PLLC, filed 10/1/2007, docket #2	

10. Other transfers

- None ☐ a. List all other property, other than property transferred in the ordinary course of the business or financial affairs of the debtor, transferred either absolutely or as security within **two years** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include transfers by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF TRANSFEREE, RELATIONSHIP TO DEBTOR	DATE	DESCRIBE PROPERTY TRANSFERRED AND VALUE RECEIVED
Farris Matthews Branan Bobango Hellen & Dunlap, PLC 1100 Ridgeway Loop Road, Ste. 400 Memphis, TN 38120-4058	8/1/07	Promissory Note secured by equity interests in the following: Associated Healthcare Systems of Kentucky Lake, Inc. (common stock); Berrien County Medical Advisors, L.P. (limited partnership units) and Sabine Medical Center, Inc. (common stock)

- None ☐ b. List all property transferred by the debtor within **ten years** immediately preceding the commencement of this case to a self-settled trust or similar device of which the debtor is a beneficiary.

NAME OF TRUST OR OTHER DEVICE	DATE(S) OF TRANSFER(S)	AMOUNT OF MONEY OR DESCRIPTION AND VALUE OF PROPERTY OR DEBTOR'S INTEREST IN PROPERTY
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11. Closed financial accounts

- None ☐ List all financial accounts and instruments held in the name of the debtor or for the benefit of the debtor which were closed, sold, or otherwise transferred within **one year** immediately preceding the commencement of this case. Include checking, savings, or other financial accounts, certificates of deposit, or other instruments; shares and share accounts held in banks, credit unions, pension funds, cooperatives, associations, brokerage houses and other financial institutions. (Married debtors filing under chapter 12 or chapter 13 must include information concerning accounts or instruments held by or for either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF INSTITUTION	TYPE OF ACCOUNT, LAST FOUR DIGITS OF ACCOUNT NUMBER, AND AMOUNT OF FINAL BALANCE	AMOUNT AND DATE OF SALE OR CLOSING
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12. Safe deposit boxes

- None ☐ List each safe deposit or other box or depository in which the debtor has or had securities, cash, or other valuables within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include boxes or depositories of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF BANK OR OTHER DEPOSITORY	NAMES AND ADDRESSES OF THOSE WITH ACCESS TO BOX OR DEPOSITORY	DESCRIPTION OF CONTENTS	DATE OF TRANSFER OR SURRENDER, IF ANY
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13. Setoffs

- None ☐ List all setoffs made by any creditor, including a bank, against a debt or deposit of the debtor within **90 days** preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR	DATE OF SETOFF	AMOUNT OF SETOFF
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14. Property held for another person

- None ☐ List all property owned by another person that the debtor holds or controls.

NAME AND ADDRESS OF OWNER	DESCRIPTION AND VALUE OF PROPERTY	LOCATION OF PROPERTY
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15. Prior address of debtor

- None ☐ If the debtor has moved within **three years** immediately preceding the commencement of this case, list all premises which the debtor occupied during that period and vacated prior to the commencement of this case. If a joint petition is filed, report also any separate address of either spouse.

ADDRESS	NAME USED	DATES OF OCCUPANCY
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16. Spouses and Former Spouses

- None ☐ If the debtor resides or resided in a community property state, commonwealth, or territory (including Alaska, Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington, or Wisconsin) within **eight years** immediately preceding the commencement of the case, identify the name of the debtor's spouse and of any former spouse who resides or resided with the debtor in the community property state.

NAME

17. Environmental Information.

For the purpose of this question, the following definitions apply:

"Environmental Law" means any federal, state, or local statute or regulation regulating pollution, contamination, releases of hazardous or toxic substances, wastes or material into the air, land, soil, surface water, groundwater, or other medium, including, but not limited to, statutes or regulations regulating the cleanup of these substances, wastes, or material.

"Site" means any location, facility, or property as defined under any Environmental Law, whether or not presently or formerly owned or operated by the debtor, including, but not limited to, disposal sites.

"Hazardous Material" means anything defined as a hazardous waste, hazardous substance, toxic substance, hazardous material, pollutant, or contaminant or similar term under an Environmental Law

- None ☐ a. List the name and address of every site for which the debtor has received notice in writing by a governmental unit that it may be liable or potentially liable under or in violation of an Environmental Law. Indicate the governmental unit, the date of the notice, and, if known, the Environmental Law:

SITE NAME AND ADDRESS	NAME AND ADDRESS OF GOVERNMENTAL UNIT	DATE OF NOTICE	ENVIRONMENTAL LAW
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- None ☐ b. List the name and address of every site for which the debtor provided notice to a governmental unit of a release of Hazardous Material. Indicate the governmental unit to which the notice was sent and the date of the notice.

SITE NAME AND ADDRESS	NAME AND ADDRESS OF GOVERNMENTAL UNIT	DATE OF NOTICE	ENVIRONMENTAL LAW
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- None ☐ c. List all judicial or administrative proceedings, including settlements or orders, under any Environmental Law with respect to which the debtor is or was a party. Indicate the name and address of the governmental unit that is or was a party to the proceeding, and the docket number.

NAME AND ADDRESS OF GOVERNMENTAL UNIT	DOCKET NUMBER	STATUS OR DISPOSITION
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18. Nature, location and name of business

- None ☐ a. *If the debtor is an individual*, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was an officer, director, partner, or managing executive of a corporation, partner in a partnership, sole proprietor, or was self-employed in a trade, profession, or other activity either full- or part-time within **six years** immediately preceding the commencement of this case, or in which the debtor owned 5 percent or more of the voting or equity securities within **six years** immediately preceding the commencement of this case.

If the debtor is a partnership, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was a partner or owned 5 percent or more of the voting or equity securities, within **six years** immediately preceding the commencement of this case.

If the debtor is a corporation, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was a partner or owned 5 percent or more of the voting or equity securities within **six years** immediately preceding the commencement of this case.

NAME	LAST FOUR DIGITS OF SOC. SEC. NO./ COMPLETE EIN OR OTHER TAXPAYER I.D. NO.	ADDRESS	NATURE OF BUSINESS	BEGINNING AND ENDING DATES
See the attached list			See the attached list	See the attached list

- None ☐ b. Identify any business listed in response to subdivision a., above, that is "single asset real estate" as defined in 11 U.S.C. § 101.

NAME	ADDRESS
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The following questions are to be completed by every debtor that is a corporation or partnership and by any individual debtor who is or has been, within **six years** immediately preceding the commencement of this case, any of the following: an officer, director, managing executive, or owner of more than 5 percent of the voting or equity securities of a corporation; a partner, other than a limited partner, of a partnership, a sole proprietor or self-employed in a trade, profession, or other activity, either full- or part-time.

(An individual or joint debtor should complete this portion of the statement **only** if the debtor is or has been in business, as defined above, within six years immediately preceding the commencement of this case. A debtor who has not been in business within those six years should go directly to the signature page.)

19. Books, records and financial statements

- None ☐ a. List all bookkeepers and accountants who within **two years** immediately preceding the filing of this bankruptcy case kept or supervised the keeping of books of account and records of the debtor.

NAME AND ADDRESS
Richard McBryde
214 Overlook Court
Suite 260
Brentwood, TN 37027-3215

DATES SERVICES RENDERED
03/04 to present

- None ☐ b. List all firms or individuals who within the **two years** immediately preceding the filing of this bankruptcy case have audited the books of account and records, or prepared a financial statement of the debtor.

NAME ADDRESS
Horne, LLC 1802 West End Avenue
Suite 800
Nashville, TN 37203

DATES SERVICES RENDERED
2001 to present
Audit for year ending 2005

- None ☐ c. List all firms or individuals who at the time of the commencement of this case were in possession of the books of account and records of the debtor. If any of the books of account and records are not available, explain.

NAME ADDRESS
Richard McBryde 214 Overlook Court
Suite 260
Brentwood, TN 37027-3215

- None ☒ d. List all financial institutions, creditors and other parties, including mercantile and trade agencies, to whom a financial statement was issued by the debtor within **two years** immediately preceding the commencement of this case.

NAME AND ADDRESS DATE ISSUED

20. Inventories

- None ☒ a. List the dates of the last two inventories taken of your property, the name of the person who supervised the taking of each inventory, and the dollar amount and basis of each inventory.

DATE OF INVENTORY	INVENTORY SUPERVISOR	DOLLAR AMOUNT OF INVENTORY (Specify cost, market or other basis)
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- None ☒ b. List the name and address of the person having possession of the records of each of the two inventories reported in a., above.

DATE OF INVENTORY	NAME AND ADDRESSES OF CUSTODIAN OF INVENTORY RECORDS
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21. Current Partners, Officers, Directors and Shareholders

- None ☒ a. If the debtor is a partnership, list the nature and percentage of partnership interest of each member of the partnership.

NAME AND ADDRESS	NATURE OF INTEREST	PERCENTAGE OF INTEREST
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- None ☐ b. If the debtor is a corporation, list all officers and directors of the corporation, and each stockholder who directly or indirectly owns, controls, or holds 5 percent or more of the voting or equity securities of the corporation.

NAME AND ADDRESS	TITLE	NATURE AND PERCENTAGE OF STOCK OWNERSHIP
A. Ron Turner 214 Overlook Court Suite 260 Brentwood, TN 37027-3215	President, CEO and Director	48.5% (1,174,300 shares)
CCS Investments, LLC Attn: Jim Seabury - Secretary 1300 Ft. Negley Blvd. Nashville, TN 37203		12.7% (307,850 shares)
AHS Investment Partners, LLC Attn: Lane Carrick 1000 Ridgeway Loop Road Suite 103 Memphis, TN 38120		7.1% (171,428 shares)
John A. Bobango 1100 Ridgeway Loop Road Suite 400 Memphis, TN 38120		6.7% (161,747 shares)
James L. Marshall, Jr. 214 Overlook Court Suite 260 Brentwood, TN 37027-3215	Senior Vice President of Operations and Director	5.0% (122,200 shares)
Richard McBryde 214 Overlook Court Suite 260 Brentwood, TN 37027-3215	Vice President and Corporate Controller	

22 . Former partners, officers, directors and shareholders

- None ☒ a. If the debtor is a partnership, list each member who withdrew from the partnership within **one year** immediately preceding the commencement of this case.

NAME	ADDRESS	DATE OF WITHDRAWAL
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- None ☐ b. If the debtor is a corporation, list all officers, or directors whose relationship with the corporation terminated within **one year** immediately preceding the commencement of this case.

NAME AND ADDRESS	TITLE	DATE OF TERMINATION
James Finley 1418 Marrimans Court Franklin, TN 37067	Vice President of Development	08/30/2007
David Perry 404 Strathmore Drive Franklin, TN 37064	Group Vice President of Finance	07/20/2007
Jim Seabury 1300 Ft. Negley Blvd. Nashville, TN 37203	Former Board Member and CEO of Enterprise Electric, LLC	07/20/2007
Lane Carrick 1000 Ridgeway Loop Road Suite 103 Memphis, TN 38120	Former Board Member and CEO of Sovereign Wealth Management	07/20/2007

23 . Withdrawals from a partnership or distributions by a corporation

None ☐ If the debtor is a partnership or corporation, list all withdrawals or distributions credited or given to an insider, including compensation in any form, bonuses, loans, stock redemptions, options exercised and any other perquisite during **one year** immediately preceding the commencement of this case.

NAME & ADDRESS OF RECIPIENT, RELATIONSHIP TO DEBTOR	DATE AND PURPOSE OF WITHDRAWAL	AMOUNT OF MONEY OR DESCRIPTION AND VALUE OF PROPERTY
A. Ronald Turner 214 Overlook Court Suite 260 Brentwood, TN 37027-3215 President, CEO and Director		Total Salary Paid 10/01/2006 - 09/30/2007 \$246,749.36
James L. Marshall, Jr. 214 Overlook Court Suite 260 Brentwood, TN 37027-3215 Senior Vice President of Operations and Director		Total Salary Paid 10/01/2006 - 09/30/2007 \$144,015.42
Richard McBryde 214 Overlook Court Suite 260 Brentwood, TN 37027-3215 Vice President and Corporate Controller		Total Salary Paid 10/01/2006 - 09/30/2007 \$132,943.87
James Finley 1418 Marrimans Court Franklin, TN 37067 Former Vice President of Development		Total Salary Paid 10/01/2006 - 09/30/2007 \$98,002.58
David Perry 404 Strathmore Drive Franklin, TN 37064 Former Group Vice President of Finance		Total Salary Paid 10/01/2006 - 09/30/2007 \$91,811.46

24. Tax Consolidation Group.

None ☐ If the debtor is a corporation, list the name and federal taxpayer identification number of the parent corporation of any consolidated group for tax purposes of which the debtor has been a member at any time within **six years** immediately preceding the commencement of the case.

NAME OF PARENT CORPORATION	TAXPAYER IDENTIFICATION NUMBER (EIN)
Associated Healthcare Systems, Inc.	58-2472565

25. Pension Funds.

None ☒ If the debtor is not an individual, list the name and federal taxpayer identification number of any pension fund to which the debtor, as an employer, has been responsible for contributing at any time within **six years** immediately preceding the commencement of the case.

NAME OF PENSION FUND	TAXPAYER IDENTIFICATION NUMBER (EIN)
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Attachment to Statement of Financial Affairs
#3(b)

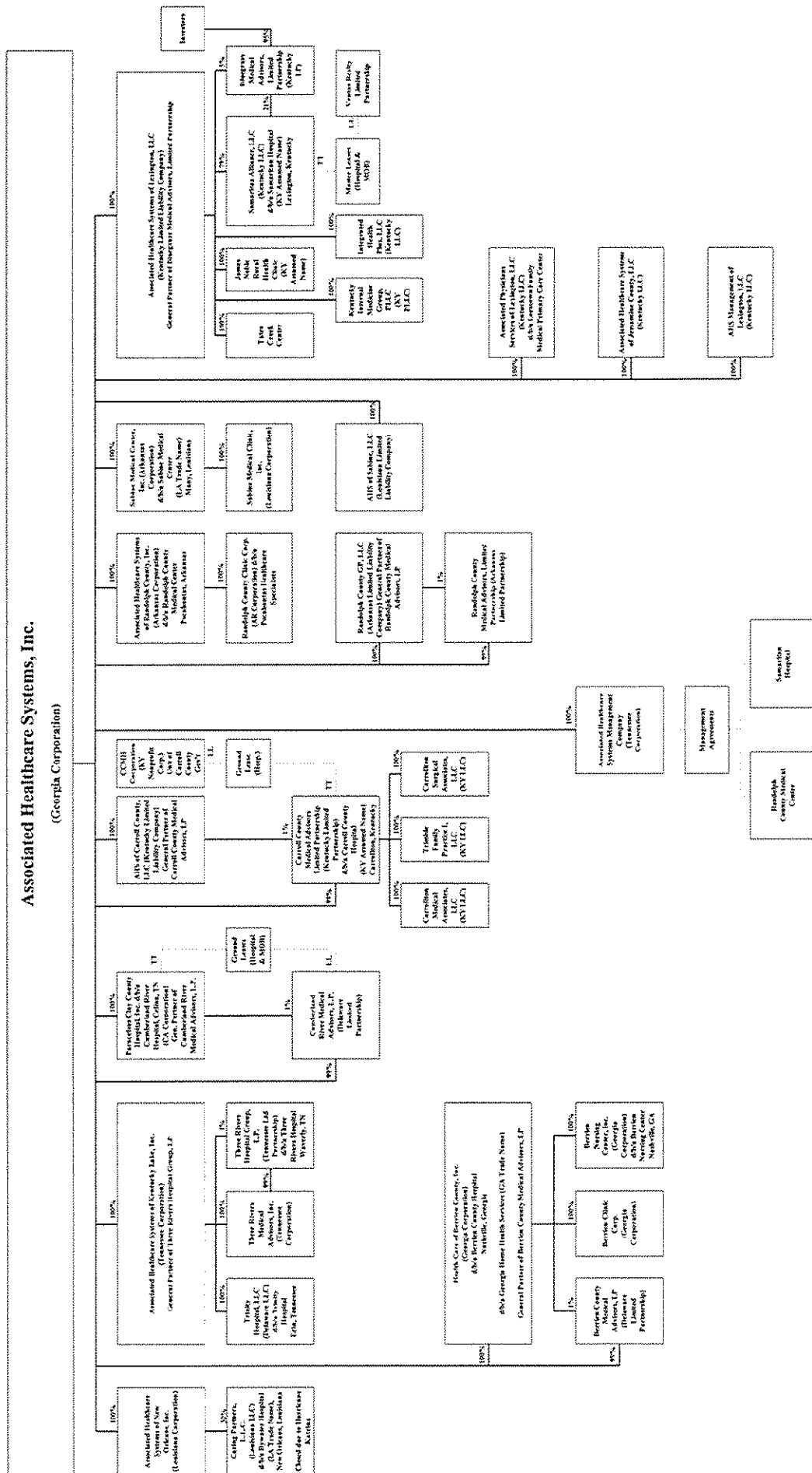
Payee	Date	Amount
AT&T	7/2/2007	323.18
WILLIAM J. HILDRETH	7/2/2007	552.52
MEDCOM	7/2/2007	2,584.00
RICHARD MCBRYDE	7/2/2007	98.83
TENNESSEE CHILD SUPPORT	7/2/2007	891.58
YMCA OF MIDDLE TENNESSEE	7/2/2007	175.50
TIME WARNER TELECOM HOLDINGS,	7/2/2007	1,287.64
DELAGE LANDEN FINANCIAL SERVI	7/3/2007	15,341.84
ILD TELECOMMUNICATIONS	7/3/2007	57.20
UNITED STATES TREASURY	7/3/2007	600.00
UNION BANK	7/3/2007	38,001.95
WEBEX COMMUNICATIONS	7/3/2007	600.00
GENWORTH LIFE & ANNUITY INSUR	7/3/2007	2,575.50
TREASURER, KENTUCKY UNEMPLOYM	7/3/2007	75.00
LISA SMITHSON	7/9/2007	149.02
DAVID PERRY	7/11/2007	82.69
PRIMETRUST BANK	7/12/2007	11,368.16
RICHARD MCBRYDE	7/12/2007	57.14
UNION BANK	7/12/2007	67,422.43
RICHARD MCBRYDE	7/13/2007	28.00
A. RONALD TURNER	7/13/2007	1,323.94
FTN PREMIUM SERVICES	7/16/2007	126,375.17
BANK OF NASHVILLE	7/17/2007	49,175.06
PRIMETRUST BANK	7/19/2007	60,020.33
STEVE FINLEY	7/19/2007	135.26
TENNESSEE CHILD SUPPORT	7/19/2007	891.58
HMS	7/19/2007	31,540.07
MATT MCBRYDE	7/23/2007	213.08
RICHARD MCBRYDE	7/24/2007	7,874.71
CENTENNIAL, INC.	7/24/2007	887.00
JOE AND BLAIR DIAZ	7/26/2007	11,933.05
PRIMETRUST BANK	7/26/2007	837.81
JIM MARSHALL	7/26/2007	39.00
MATT MCBRYDE	7/31/2007	580.12
KENTUCKY STATE TREASURER	7/31/2007	194.88
RICHARD MCBRYDE	7/31/2007	891.58
TENNESSEE CHILD SUPPORT	7/31/2007	123.30
YMCA OF MIDDLE TENNESSEE	7/31/2007	260,208.71
BLUE CROSS BLUE SHIELD OF GEO	7/31/2007	1,160.65
NUVOX COMMUNICATIONS OF TENNE	8/1/2007	8,175.19
SUN LIFE LIFE INSURANCE COMPA	8/6/2007	69.13
LISA SMITHSON	8/6/2007	868.53
A. RONALD TURNER	8/6/2007	41.43
RICHARD MCBRYDE	8/8/2007	10,000.00
HORNE, LLP	8/8/2007	450.00
P J DELIVERY SERVICE, INC.	8/8/2007	126,375.17
FTN PREMIUM SERVICES	8/8/2007	346.18
WILLIAM J. HILDRETH	8/9/2007	60,163.05
UNION BANK	8/10/2007	109.54
RICHARD MCBRYDE	8/13/2007	356.86
AT&T	8/13/2007	109.84
ILD TELECOMMUNICATIONS	8/13/2007	18.00
THOMSON CREATIVE SOLUTIONS		

Payee	Date	Amount
FTN PREMIUM SERVICES	9/10/2007	141,524.48
GIFFORD, HILLEGASS & INGWERSE	9/10/2007	27,590.00
A. RONALD TURNER	9/10/2007	785.41
UNION BANK	9/10/2007	60,178.05
HORNE, LLP	9/10/2007	8,490.00
GULLETT, SANFORD, ROBINSON &	9/10/2007	15,000.00
KENTUCKY STATE TREASURER	9/11/2007	10.00
KENTUCKY STATE TREASURER	9/11/2007	10.00
UNION BANK	9/11/2007	60,178.05
DINSMORE & SHOHL LLP	9/11/2007	11,363.23
TENNESSEE CHILD SUPPORT	9/11/2007	891.58
DELAWARE SEC. OF STATE	9/12/2007	499.18
FARRIS MATHEWS BRANAN BOBANGO	9/12/2007	2,000.00
CUSHMAN & WAKEFIELD	9/13/2007	12,500.00
HMS	9/13/2007	41,266.39
PRIMETRUST BANK	9/13/2007	94,924.11
RICHARD MCBRYDE	9/13/2007	72.55
HUDSON SPECIALTY INSURANCE CO	9/13/2007	16,591.83
BANK OF AMERICA NA	9/13/2007	1,334.00
FEDEX	9/14/2007	31.09
NEOPOST	9/14/2007	66.98
UPS	9/14/2007	62.88
AT&T	9/14/2007	391.96
GIFFORD, HILLEGASS & INGWERSE	9/14/2007	18,675.00
TENNESSEE CHILD SUPPORT	9/14/2007	891.58
WILLIAM J. HILDRETH	9/14/2007	234.24
RELIANCE STANDARD LIFE	9/14/2007	1,355.72
3M HEALTH INFORMATION SYSTEMS	9/14/2007	20,603.59
DERBY SELF STORAGE	9/14/2007	130.00
GORDON, GLICKMAN, FLESCH & RO	9/17/2007	5,000.00
HORNE, LLP	9/17/2007	8,470.00
RICHARD MCBRYDE	9/18/2007	16.00
LISA SMITHSON	9/24/2007	100.84
TENNESSEE CHILD SUPPORT	9/25/2007	891.58
GULLETT, SANFORD, ROBINSON &	9/26/2007	85,000.00

Attachment to Statement of Financial Affairs
#3(c)

Payee	Address	Relationship to Debtor	Date	Amount
RICHARD MCBRYDE	309 EAST GRIFFIN COURT, NASHVILLE, TN 37221	Vice President & Corporate Controller	10/5/2006	\$856.31
JAMES FINLEY	1418 MARRIMANS COURT, FRANKLIN, TN 37067	Vice President Development	10/5/2006	\$156.50
A. RONALD TURNER	3541 WAKE RUN COURT, GAINESVILLE, GA 30506	President & CEO	10/9/2006	\$1,010.66
RICHARD MCBRYDE	309 EAST GRIFFIN COURT, NASHVILLE, TN 37221	Vice President & Corporate Controller	10/13/2006	\$507.42
JAMES FINLEY	1418 MARRIMANS COURT, FRANKLIN, TN 37067	Vice President Development	10/13/2006	\$369.37
DAVID PERRY	404 STRATHMORE DRIVE, FRANKLIN, TN 37064	Group Vice President Finance	10/16/2006	\$2,372.35
RICHARD MCBRYDE	309 EAST GRIFFIN COURT, NASHVILLE, TN 37221	Vice President & Corporate Controller	10/18/2006	\$600.00
JAMES FINLEY	1418 MARRIMANS COURT, FRANKLIN, TN 37067	Vice President Development	10/19/2006	\$275.38
A. RONALD TURNER	3541 WAKE RUN COURT, GAINESVILLE, GA 30506	President & CEO	10/20/2006	\$1,001.43
DAVID PERRY	404 STRATHMORE DRIVE, FRANKLIN, TN 37064	Group Vice President Finance	10/26/2006	\$864.48
RICHARD MCBRYDE	309 EAST GRIFFIN COURT, NASHVILLE, TN 37221	Vice President & Corporate Controller	10/26/2006	\$185.69
JAMES FINLEY	1418 MARRIMANS COURT, FRANKLIN, TN 37067	Vice President Development	10/26/2006	\$171.48
A. RONALD TURNER	3541 WAKE RUN COURT, GAINESVILLE, GA 30506	President & CEO	11/1/2006	\$870.18
JAMES FINLEY	1418 MARRIMANS COURT, FRANKLIN, TN 37067	Vice President Development	11/3/2006	\$101.59
A. RONALD TURNER	3541 WAKE RUN COURT, GAINESVILLE, GA 30506	President & CEO	11/10/2006	\$1,128.25
DAVID PERRY	404 STRATHMORE DRIVE, FRANKLIN, TN 37064	Group Vice President Finance	11/10/2006	\$1,293.56
JAMES L. MARSHALL, JR.	PO BOX 487, HARTSVILLE, TN 37074	Senior Vice President	11/15/2006	\$1,350.49
RICHARD MCBRYDE	309 EAST GRIFFIN COURT, NASHVILLE, TN 37221	Vice President & Corporate Controller	11/15/2006	\$669.62
JAMES FINLEY	1418 MARRIMANS COURT, FRANKLIN, TN 37067	Vice President Development	11/16/2006	\$543.94
JAMES FINLEY	1418 MARRIMANS COURT, FRANKLIN, TN 37067	Vice President Development	11/20/2006	\$684.69
DAVID PERRY	404 STRATHMORE DRIVE, FRANKLIN, TN 37064	Group Vice President Finance	11/21/2006	\$765.51
RICHARD MCBRYDE	309 EAST GRIFFIN COURT, NASHVILLE, TN 37221	Vice President & Corporate Controller	11/22/2006	\$701.47
RICHARD MCBRYDE	309 EAST GRIFFIN COURT, NASHVILLE, TN 37221	Vice President & Corporate Controller	11/28/2006	\$140.15
JAMES FINLEY	1418 MARRIMANS COURT, FRANKLIN, TN 37067	Vice President Development	11/30/2006	\$542.19
JAMES FINLEY	1418 MARRIMANS COURT, FRANKLIN, TN 37067	Vice President Development	11/30/2006	\$1,653.00
RICHARD MCBRYDE	309 EAST GRIFFIN COURT, NASHVILLE, TN 37221	Vice President & Corporate Controller	12/1/2006	\$209.09
DAVID PERRY	404 STRATHMORE DRIVE, FRANKLIN, TN 37064	Group Vice President Finance	12/4/2006	\$806.79
JAMES L. MARSHALL, JR.	PO BOX 487, HARTSVILLE, TN 37074	Senior Vice President	12/5/2006	\$3,890.25
JAMES FINLEY	1418 MARRIMANS COURT, FRANKLIN, TN 37067	Vice President Development	12/6/2006	\$461.93
A. RONALD TURNER	3541 WAKE RUN COURT, GAINESVILLE, GA 30506	President & CEO	12/12/2006	\$788.96
DAVID PERRY	404 STRATHMORE DRIVE, FRANKLIN, TN 37064	Group Vice President Finance	12/12/2006	\$541.17
A. RONALD TURNER	3541 WAKE RUN COURT, GAINESVILLE, GA 30506	President & CEO	12/15/2006	\$836.74
RICHARD MCBRYDE	309 EAST GRIFFIN COURT, NASHVILLE, TN 37221	Vice President & Corporate Controller	12/15/2006	\$450.49
JAMES FINLEY	1418 MARRIMANS COURT, FRANKLIN, TN 37067	Vice President Development	12/15/2006	\$453.23
DAVID PERRY	404 STRATHMORE DRIVE, FRANKLIN, TN 37064	Group Vice President Finance	12/22/2006	\$993.24
JAMES FINLEY	1418 MARRIMANS COURT, FRANKLIN, TN 37067	Vice President Development	12/29/2006	\$427.45
RICHARD MCBRYDE	309 EAST GRIFFIN COURT, NASHVILLE, TN 37221	Vice President & Corporate Controller	7/2/2007	\$98.83
DAVID PERRY	404 STRATHMORE DRIVE, FRANKLIN, TN 37064	Group Vice President Finance	7/11/2007	\$82.69
RICHARD MCBRYDE	309 EAST GRIFFIN COURT, NASHVILLE, TN 37221	Vice President & Corporate Controller	7/12/2007	\$57.14
A. RONALD TURNER	3541 WAKE RUN COURT, GAINESVILLE, GA 30506	President & CEO	7/13/2007	\$1,323.94
RICHARD MCBRYDE	1418 MARRIMANS COURT, NASHVILLE, TN 37067	Vice President Development	7/13/2007	\$28.00
JAMES FINLEY	309 EAST GRIFFIN COURT, NASHVILLE, TN 37221	Vice President & Corporate Controller	7/19/2007	\$135.26
RICHARD MCBRYDE	309 EAST GRIFFIN COURT, NASHVILLE, TN 37221	Vice President Development	7/23/2007	\$17.00
JAMES L. MARSHALL, JR.	PO BOX 487, HARTSVILLE, TN 37074	Senior Vice President	7/26/2007	\$637.81
RICHARD MCBRYDE	309 EAST GRIFFIN COURT, NASHVILLE, TN 37221	Vice President & Corporate Controller	7/31/2007	\$194.88
A. RONALD TURNER	3541 WAKE RUN COURT, GAINESVILLE, GA 30506	President & CEO	8/6/2007	\$868.53
RICHARD MCBRYDE	309 EAST GRIFFIN COURT, NASHVILLE, TN 37221	Vice President & Corporate Controller	8/6/2007	\$41.43
RICHARD MCBRYDE	309 EAST GRIFFIN COURT, NASHVILLE, TN 37221	Vice President & Corporate Controller	8/10/2007	\$109.54
RICHARD MCBRYDE	309 EAST GRIFFIN COURT, NASHVILLE, TN 37221	Vice President & Corporate Controller	8/22/2007	\$589.26
RICHARD MCBRYDE	309 EAST GRIFFIN COURT, NASHVILLE, TN 37221	Vice President & Corporate Controller	8/24/2007	\$85.00
RICHARD MCBRYDE	309 EAST GRIFFIN COURT, NASHVILLE, TN 37221	Vice President & Corporate Controller	8/27/2007	\$134.82
RICHARD MCBRYDE	309 EAST GRIFFIN COURT, NASHVILLE, TN 37221	Vice President & Corporate Controller	8/29/2007	\$15.52
RICHARD MCBRYDE	309 EAST GRIFFIN COURT, NASHVILLE, TN 37221	Vice President & Corporate Controller	9/4/2007	\$107.21
RICHARD MCBRYDE	309 EAST GRIFFIN COURT, NASHVILLE, TN 37221	Vice President & Corporate Controller	9/7/2007	\$27.13
A. RONALD TURNER	3541 WAKE RUN COURT, GAINESVILLE, GA 30506	President & CEO	9/10/2007	\$785.41
RICHARD MCBRYDE	309 EAST GRIFFIN COURT, NASHVILLE, TN 37221	Vice President & Corporate Controller	9/13/2007	\$72.55
RICHARD MCBRYDE	309 EAST GRIFFIN COURT, NASHVILLE, TN 37221	Vice President & Corporate Controller	9/18/2007	\$16.00

Attachment to Statement of Financial Affairs
#18



DECLARATION UNDER PENALTY OF PERJURY ON BEHALF OF CORPORATION OR PARTNERSHIP

I declare under penalty of perjury that I have read the answers contained in the foregoing statement of financial affairs and any attachments thereto and that they are true and correct to the best of my knowledge, information and belief.

Date October 18, 2007

Signature /s/ A. Ronald Turner
A. Ronald Turner
President and CEO

[An individual signing on behalf of a partnership or corporation must indicate position or relationship to debtor.]

Penalty for making a false statement: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571

**United States Bankruptcy Court
Middle District of Tennessee**

In re Associated Healthcare Systems, Inc.,
Debtor

Case No. 07-07219-MH3-11

Chapter 11

LIST OF EQUITY SECURITY HOLDERS

Following is the list of the Debtor's equity security holders which is prepared in accordance with Rule 1007(a)(3) for filing in this chapter 11 case.

Name and last known address or place of business of holder	Security Class	Number of Securities	Kind of Interest
See the attached list	See the attached list		

DECLARATION UNDER PENALTY OF PERJURY ON BEHALF OF CORPORATION OR PARTNERSHIP

I, the President and CEO of the corporation named as the debtor in this case, declare under penalty of perjury that I have read the foregoing List of Equity Security Holders and that it is true and correct to the best of my information and belief.

Date October 18, 2007

Signature /s/ A. Ronald Turner
A. Ronald Turner
President and CEO

Penalty for making a false statement or concealing property: Fine of up to \$500,000 or imprisonment for up to 5 years or both.
18 U.S.C §§ 152 and 3571.

Attachment to List of Equity Security Holders

Associated Healthcare Systems, Inc.
Shareholder List
As of September 30, 2007

Shareholder Name	Issued Shares	Percent to Total
AHS Investment Partners, LLC	171,428	7.1
Bishop, Michael R.	40,000	1.7
Bobango, John A.	161,747	6.7
CCS Investments, LLC	307,850	12.7
Coleman, James H.	82,251	3.4
Darnall, John P.	20,000	.9
Finley, J. Steven	50,804	2.1
Gardner, Avery K.	20,000	.9
Hill, Jae H.	96,400	4.0
Holt, James F. Jr.	82,400	3.4
John A. Bobango Trust	48,200	2.0
Langosch, Rick	23,166	1.0
Marshall, James L. Jr.	122,200	5.0
Pope, Mary Candace	20,000	.9
Turner, A. Ronald	1,174,300	48.5
Total	2,420,746	100.0